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TSPIRS

Timber

Sale

Program

Information

Reporting

System

**Chugach
National Forest
1988**

United States
Department of
Agriculture

PREPARED BY
Forest
Service

Alaska Region
Leaflet
R 10-MB-62

INTRODUCTION

The Forest Timber Sale Program Information Reporting System (TSPIRS) presents three viewpoints of the forests timber program for 1988. Each viewpoint presents a different approach to measure the timber program; each stands on its own and is not cumulative. Forest plans provide the management direction for all Forest Service resource activities. TSPIRS is one monitoring tool for us to find out how well we are managing according to the plans. This report will be produced and available to the public on an annual basis.

BACKGROUND: Based on the public concern over the benefits and costs of timber sales, Congress directed the Forest Service to develop a system that would show all timber related benefits and costs. TSPIRS is an effort to improve the way information is developed and displayed to help public understanding of timber management. This reporting system was developed jointly with the General Accounting Office (GAO) and the Forest Service. It has been reviewed and approved by Congress.

PURPOSE: The purpose of the report is to display fiscal year 1988 financial benefits and cost information for the Alaska Region timber management program.

FORMAT: The reporting system consists of three reports which display costs and benefits of the Forests' timber management program.

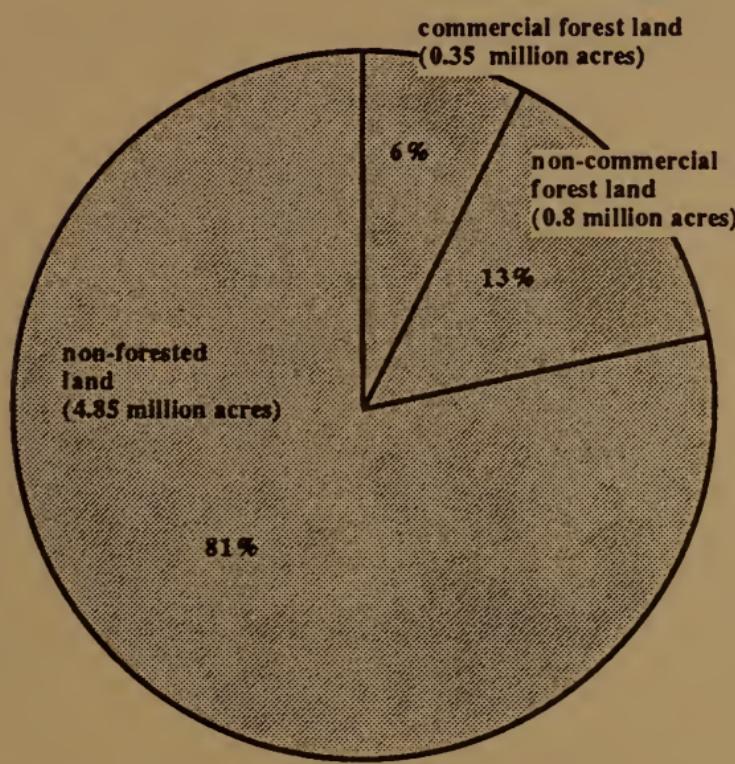
Descriptions of the three reports are listed below:

Report 1 - Financial Report (revenues compared with costs), this is similar to a private business profit and loss statement.

Report 2 - Economic Report - long term benefits, effects, and costs expected from the acres harvested in 1988. This report is tied to Forest Plan data.

Report 3 - Employment, Income and Program Report - current effects to local employment and income from harvest activities.

The following chart displays acres as commercial forest lands versus the total land base for the Chugach National Forest.



Summary - Chugach National Forest:
Timber harvesting on the Chugach has been limited mostly to very small salvage sales since the appeal of the Forest Plan. Increasing demand is expected to generate more timber management opportunities after current planning efforts are finalized.

REPORT 1 - FINANCIAL REPORT

Report 1 is an accounting report of the Chugach National Forest's timber management program for fiscal year 1988. This report displays revenues and costs by GAO and Forest Service developed cost centers.

I. REVENUES

Timber Sales	\$11,309
Purchaser Road Credit	330
Associated Charges	0
Interest and Penalties	1,075
Total Revenues	\$12,714

II. EXPENSES

Sale Administration	\$40,758
Sale Activity Allowance	326,277
Growth Activity Allowance	804
Facilities Depreciation	0
General Administration	151,929
Total Operating Expenses	\$519,768

Gain/ <Loss> Before Payments to State	<\$507,054>
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III. PAYMENT TO STATE	^{1/} \$46,184
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Net Gain/ <Loss> From Timber Sales	<\$553,238>
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IV. VOLUME HARVESTED	1,027,000
	(in board feet)

^{1/} See Glossary of Terms

REPORT 2 - ECONOMIC REPORT

Report 2 provides the present net value of future benefits and costs on the acres harvested in 1988. This report gives a perspective for the future flow of timber and associated non-timber resource costs and benefits.

The Report 2 analysis is consistent with the analysis and decisions of the Forest Plan. Costs and prices have been updated as appropriate.

The values of benefits and costs in Report 2 have been discounted to the present to account for the time preference. The standard Forest Service discount rate of 4% was used.

For discounting timber outputs, the time span extends from the year following the reporting period through the harvest of all future regenerated stands. In addition to timber outputs, Report 2 includes estimates of the present net value for non-timber outputs. The kinds and quantities of outputs associated with timber harvest is specified in the Forest Plan.

I. PRESENT VALUE BENEFITS

Timber	\$569
Recreation	34,607
Wildlife	0
Fisheries	0
Total Present Benefits	\$35,176

II. INVESTMENTS VALUE

Timber	\$3,858
Roads	0
Recreation	2,288
Wildlife	0
Fisheries	0
Total Investments	\$6,146

IV. PRESENT NET VALUE

\$29,030

REPORT 3 - EMPLOYMENT & INCOME REPORT AND RELATED PROGRAM ACCOMPLISHMENTS

Report 3 displays the effects the 1988 harvest had upon local employment and income.

I. EMPLOYMENT

Direct Jobs	5
Indirect & Induced Jobs	5
Total Jobs	10

II. LOCAL FISCAL EFFECTS

Total Personal Income	\$391,000
Cumulative Value to Local Communities	1,124,000
25% Fund Payment to State ^{1/}	\$46,184

III. TIMBER PROGRAM ACCOMPLISHMENTS

Volume (in board feet): ^{1/}	
Offered	1,960,000
Sold	260,000
Harvested	950,000
Regeneration Treatment (acres) ^{1/}	112
Timber Stand Improvement (acres)	135
Total Area Harvested (acres)	126

IV. MILES OF ROADS TO SUPPORT TIMBER PROGRAM

Appropriated	3
Purchaser Credit	0
Total	3

^{1/} See Glossary of Terms

Glossary of Terms

Associated Charges. Deposits collected from timber purchasers that will be used by the Forest Service to dispose of logging slash, transferred to an escrow account at the Burear of Indian Affairs for an Alaska Native Corporation pending transfer of title of the land from which harvest occurred, or transferred to the U.S. Treasury representing the increased value of harvested timber that has been partially processed.

The Sale Activity Allowance is composed of the following activities: Timber Planning, Silvicultural Examinations, Sale Preparation, Other Resource Support, Timber Salvage Sale Fund, Brush Disposal, KV Reforestation, Co-op Road Maintenance, and Transportation Planning. Current actual costs for these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: Sale Activity Pool Allowance = (Volume Harvested X Current Year Pool Balance) / (Volume Under Contract + Volume Harvested).

The Growth Activity Allowance is composed of the following activities: Appropriated Reforestation, Appropriated Stand Improvement, Nursery Management, Genetic Tree Improvement, KV Stand Improvement, Timber Road Design and Construction, and Purchaser Credits Established. Current actual costs from these activities are added to the pool each year and then depleted from the pool and allocated to the current fiscal year according to the formula: Growth Activity Pool Allowance = (Volume Harvested X Current Year Pool Balance) / (Total Volume Over Average Rotation Period).

Purchaser Credit. Credit earned by the timber purchaser that is applied to stumpage charges above base rates and is considered revenue. Purchaser road credit is determined by a Forest Service engineer's estimate. This amount is reflected in the timber sale contract.

Payments to States. A fund consisting of approximately 25 percent of the gross annual timber receipts received by the National Forests in that state. This is returned to the States for use on roads and schools.

Regeneration Treatment. Treatments and activities that relate to the reestablishment of stands of trees. Includes planting, seeding, preparing the ground for seed-in from adjacent stands where ground preparation wasn't necessary.

Net Sawlog Volume. Trees suitable in size and quality for processing into lumber.

This Summary is based upon technical documents on file at the Forest Supervisor's Offices. For more information contact:

Chugach National Forest

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